



CPA LICENSEE HANDBOOK

2002

CALIFORNIA BOARD OF ACCOUNTANCY

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CALIFORNIA BOARD OF ACCOUNTANCY

Mission

The mission of the California Board of Accountancy (Board) is to protect the public welfare by ensuring that only qualified persons are licensed and that appropriate standards of competency and practice are established and enforced.

The Board:

- Examines applicants and sets educational and experience requirements for California certified public accountants (CPAs) and public accountants (PAs).
- Licenses the practice of public accountancy and may deny licensure, revoke, suspend, or refuse to renew any license, permit, or certificate for violation of the California Accountancy Act or Accountancy Regulations.
- By regulation, prescribes, amends, or repeals the rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and competency in the profession.

Authority

The Board derives its authority from the Business and Professions Code, Division 3, Chapter 1, Article 1 through Article 10 (California Accountancy Act) and the California Code of Regulations, Title 16, Division 1, Article 1 through Article 13 (Accountancy Regulations). A copy of the California Accountancy Act and Accountancy Regulations is available on the Board's Web site or upon request from the Board.

LICENSE INFORMATION

CPA Standards

If you engage in the practice of public accountancy, you must comply with all applicable professional standards related to the services performed.

Conflict of Interest

You cannot concurrently engage in the practice of public accountancy and in any other business or occupation that impairs your independence, objectivity, or creates a conflict of interest in providing professional services.

Contingent Fees

As specified in Section 62 of the Accountancy Regulations, a licensee shall not:

- Perform any professional services for an attest client for a contingent fee.
- Prepare an original tax return for a contingent fee.
- Prepare an amended tax return, claim for tax refund, or perform other similar tax services for a contingent fee.
- Perform an engagement as a testifying expert for a contingent fee.

A contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specific finding or result is attained.

Fees are not contingent if fixed by courts or governmental entities acting in a judicial or regulatory capacity.

Commissions

You may accept commissions in limited situations. Per Section 5061 of the California Accountancy Act, you may accept commission-based compensation for defined services - as long as the fees are disclosed in writing and various prohibited services are not performed.

However, you still are prohibited from accepting any fee or commission solely for referral of a client to a third party.

This provision is similar to the American Institute of Certified Public Accountants' (AICPA) Rule 503, but has significant exceptions. California's disclosure rules are more stringent for consumer protection and must be in detailed written form. The disclosure must:

- State the amount of the commission or the basis on which it is computed.
- Identify the source of the payment.
- Identify the relationship between the source and the person receiving the payment.
- Be presented to the client at or prior to the time the recommendation of the product or service is made.

RENEWAL INFORMATION

Your license expires at midnight on the license expiration date shown on your pocket certificate and your license renewal form.

NOTE: There is no grace period to renew your license after the expiration date. A delinquency fee will be charged for renewals postmarked after the license expiration date. Meter marks are not acceptable proof of timely mailing. The Board does not have the statutory authority to waive the delinquency fee unless assessed in error.

Renewal Form

The Board mails renewal forms with instructions approximately two months before the license expiration date. If you do not receive a renewal form, to obtain a copy, contact the Board's Renewal Unit at the telephone numbers listed on page 18.

If your renewal form is not completed, mailed, and postmarked by the license expiration date, your practice rights cease until all deficiencies are corrected, and your license is renewed by the Board. Mail the renewal fee with your completed form to:

Department of Consumer Affairs
P.O. Box 942501
Sacramento, CA 94258-0501

You may pay your license renewal by money order, cashier's check, or a personal check (drawn on a U.S. bank). Currently, the Board does not accept credit card payments.

Please allow six to eight weeks for the Board to process your renewal. An incomplete or inaccurately completed renewal form may result in your license renewal being placed on hold and the temporary loss of practice rights. The Board will notify you in writing of any deficiencies.

If you do not receive your new pocket certificate within eight weeks of mailing your renewal form, please contact the Board's Renewal Unit.

New Licensee

After the Board receives the initial license fee and the personal information data card, a new licensee will receive a pocket certificate informing him or her of the right to practice public accounting and noting the date of the first license expiration (first license renewal). A wall certificate will be mailed to a new licensee within 90 days.

New Licensee Continuing Education (CE)

To renew in active status, a new licensee is required to complete 20 hours of CE for each full six-month interval from the date the license was issued to the license expiration date. A new licensee, who is required to complete governmental or accounting and auditing CE, needs six hours of CE in the appropriate subject matter as part of each 20 hours of general CE.

This method is used to calculate the total CE hours; it does not mean that 20 hours of CE must be completed within each six-month period.

Birth Month Renewal System *Even/Odd Biennial Renewal*

The regular license renewal cycle is every two years. The expiration date is midnight on the last day of your birth month. The year of expiration is based upon your birth year. If you were born in an even year, your license will expire each even year. If you were born in an odd year, it will expire each odd year.

However, your initial license may be issued for less than two full years to merge your renewal date into the even/odd renewal cycle.

If your initial license is issued for less than a full year, your initial license fee will be prorated as follows:

Initial License Fee

<u>Initial License Period</u>	<u>Initial License Fee</u>
1 - 2 full months	\$0
3 - 12 full months	\$100
13 - 24 full months	\$200

Biennial Renewal Fee

<u>License Renewal</u>	<u>Fee</u>
Individuals, Partnerships and Corporations	\$200
Delinquent	\$100 + renewal fee (see page 3)

Renewal Options

You may:

- Complete your required CE by the renewal date and renew as **active**.
- Renew as inactive – submit the renewal form with fee without CE; however, you cannot practice public accounting while your license is in **inactive** status.
- Request an **extension** of time to complete CE or an **exemption** from CE if you meet certain criteria ([see page 11](#)).

Print the form, *CE Extension or Exemption Request*, from the Board's Web site, or contact the Renewal Unit at the telephone number listed on page 18 for a copy.

- Allow your license to expire, if you do not intend to practice public accountancy. An expired license may be renewed up to five years after its expiration date.

Active Renewal = 80 hours CE

You must complete 80 hours of CE in the two-year period immediately preceding your license expiration date.

You cannot carry over CE hours from one renewal period to another. If you renew early and complete additional CE before your license expiration date in the current renewal period, you cannot count it toward the 80 hours of CE required for your next renewal period.

Qualifying CE

Acceptable CE must be a formal program of learning that contributes directly to the professional competence of the licensee.

NOTE: You may complete 100 percent of your CE requirement through qualifying self-study programs.

It is the licensee's responsibility to select acceptable CE courses. The following subjects are not acceptable CE:

- Foreign languages and cultures.
- Personal growth, self-realization, spirituality.
- Personal health and/or fitness, sports and recreation.
- Other subjects that do not contribute directly to the licensee's professional competence.

50/50 CE Requirement

Beginning July 1, 2001, licensees renewing in active status must meet a “50/50” CE requirement. A licensee must complete a *minimum of 50 percent* of the total required CE hours in the following technical subjects:

- Accounting and auditing.
- Computer and information technology (excluding word processing).
- Consulting.
- Financial planning.
- Professional conduct and ethics.
- Taxation.
- Specialized industry or government practices to maintain or enhance public accounting skills and knowledge.

Note: The CE hours that you completed to meet the government or accounting and auditing CE requirement can be claimed as part of the technical CE.

A licensee may claim a *maximum of 50 percent* of the total CE hours in the following non-technical subjects:

- Communication skills, negotiation skills, and motivational techniques.
- Marketing and sales.
- Office management, practice management, and personnel management.
- Word processing.

You may claim up to 50 percent of the required CE hours as an instructor or discussion leader. For each hour of presentation, you may also claim up to two additional hours of actual preparation time.

NOTE: You may not claim credit for repeated presentations, unless you can demonstrate that the program content substantially changed and required significant additional study or research.

You may also claim up to 25 percent of the CE requirement by writing published articles or books (if the publisher is not under the control of the licensee), instructional materials for any qualifying CE program, and/or questions for the Uniform CPA Examination.

Miscellaneous CE Information

- A live presentation is measured in 50-minute class hours. For programs with individual segments of less than 50 minutes, the sum of the segments (in increments of at least 25 minutes) may be added together to equal a full class hour.
- For courses taken from colleges or universities, each semester unit is equal to 15 hours of CE, and each quarter unit is equal to 10 hours of CE.
- You must retain CE certificates of completion for four years after renewal, except PC&E certificates must be retained for six years. A random sample of licensees' CE will be verified. If selected for verification, you will be contacted by mail and required to submit documentation of course completion to the Board.

Accounting & Auditing (A&A) CE

If you plan, direct, approve, perform a substantial portion of the work, or report on an audit, review, compilation, or attestation service on a nongovernmental entity, you must complete 24 of the required 80 hours of CE in courses related to the following:

- Financial statement preparation and/or reporting.
- Audit, review, and/or compilation.
- Industry accounting.
- Attestation or assurance services.

In planning fieldwork, an auditor defines what is material to the financial statements being audited. "Substantial portions of field work" is defined as those portions of fieldwork that are material to reach conclusions or opinions related to that part of the audit.

Anyone who prepares and reports on at least one financial statement is performing substantial portions of the work – even if "the computer did most of the work" or another person reviews and signs the report. When another person is responsible for signing, both the preparer and signer must meet the A&A requirement.

NOTE: Teaching or learning how to use accounting software does not qualify as A&A, although it may qualify as CE in another category.

A&A extension: If you are planning to renew in active status and have completed 80 hours of CE, but have not completed 24 hours of A&A CE because you became subject to the requirement during the last six months of a two-year renewal period, you qualify for a six-month extension. To request an extension, check the appropriate box on the renewal form. The A&A CE hours completed within the extension period may be used as part of the 80 hours of CE required for your next renewal. However, if you are again subject to the same requirement, another 24 hours of A&A CE must be completed to meet the next renewal requirements.

Government CE

If you plan, direct, conduct substantial portions of field work, or report on financial or compliance audits of a governmental agency, you must complete 24 of the required 80 hours of CE in the following government audit-related courses:

- Governmental operations.
- Government laws, regulations, or reports.
- Special requirements of governmental agencies.
- Subjects related to the specific or unique environment of the audited entity.
- Other auditing subjects appropriate to government auditing engagements.

A governmental agency is defined as any department, office, commission, authority, Board, government-owned corporation, or other independent establishment of any branch of federal, state, or local government. Under the California definition, this does not include a non-profit organization or any organization receiving funds through federal financial assistance. However, licensees performing audits of non-profit organizations, organizations receiving federal financial assistance funds, or government agencies must comply with the Federal Government Auditing Standards.

NOTE: A licensee who meets the government CE requirement is considered to have satisfied the accounting and auditing requirement.

Government CE extension: If you are planning to renew in active status and have completed 80 hours of CE, but have not completed 24 hours of government CE because you became subject to the requirement during the last six months of a two-year renewal period, you qualify for a six-month extension. To request an extension, check the appropriate box on the renewal form. The government CE hours completed within the extension period may be used as part of the 80 hours of CE required for your next renewal. However, if you are again subject to the same requirement, another 24 hours of government CE must be completed to meet the next renewal requirements.

Professional Conduct & Ethics (PC&E)

Effective January 1, 1998, the Board requires licensees to complete a Board-approved PC&E course every six years. The list of approved providers is available on the Board's Web site or from the Renewal Unit, and will be mailed with your renewal form.

The PC&E requirement is being phased over a six-year period, based on the last two digits of your CPA/PA license number.

License numbers ending in:

- 01-33: Required completion before license expiration in 1998 or 1999.
- 34-66: Required completion before license expiration in 2000 or 2001.
- 67-00: Require completion before license expiration in 2002 or 2003.

Continuing Education Exemption/Extension Request

You may request a CE extension or exemption for the following:

1. Reasons of health preventing compliance, which must be certified on the doctor's office letterhead. The doctor's letter must include the:
 - Licensee's name.
 - Nature of medical condition.
 - Beginning and ending time period of the condition.
 - Signed statement explaining the effect of the condition and how it renders the licensee incapable of completing CE, including self-study courses.
2. Active duty with the Armed Forces of the United States.
3. Other good cause, such as a natural disaster or death of a spouse or other immediate family member, supported by a copy of the death certificate or obituary.

You may print the CE Extension/Exemption form from the Board's Web site, or contact the Renewal Unit for a copy.

NOTE: No extension or exemption will be granted solely because of age or workload constraints.

Inactive Renewal

If, after the license expiration date, you do not intend to practice public accounting, you may renew as **inactive** without completing CE. To renew as inactive, submit the renewal form with the renewal fee, which is the same as the active renewal fee.

An inactive license may be converted to active status at the next renewal date, or by meeting the license status conversion requirements before the next renewal date.

NOTE: You may not practice public accounting while your license is in inactive status.

License Status Conversion

You may convert an inactive license to active status before the next expiration date by:

- Completing 80 hours of qualifying CE, including a Board-approved professional conduct and ethics course, within 24 months prior to converting to active status.
- Completing 24 hours of CE (as part of the 80 hours) in accounting and auditing or government CE, if you are subject to the requirement.

Once converted to active status, you must complete 20 hours of CE for each full six-month period from the date of license status conversion to the license expiration date. If you are required to complete the governmental or A&A CE, you need to complete six hours of CE in the appropriate subject matter as part of each 20 hours of CE. This is the method to calculate the total CE hours required for active renewal. You do not have to complete 20 hours of CE during each six-month period.

You may print the Status Conversion Form from the Board's Web site, or contact the Renewal Unit at the telephone number listed on page 18 for a copy.

Delinquent License

If, after the license expiration date, you do not intend to practice public accounting, you may allow your license to expire. You may renew your expired license any time up to five years after the license expiration date. The Board sends one "late" renewal form approximately 30 days after the license expiration date. However, no subsequent renewal forms will be sent, unless requested by the licensee.

To renew a delinquent/expired license, you must pay all past renewal fees and the most recent delinquent fee. To renew as active, you must also complete the CE requirements for the current period.

License Cancellation

An expired license may be renewed up to five years after its expiration date. A license not renewed within five years is cancelled and cannot be renewed, restored, or reinstated.

NOTE: Approximately six months before the license is cancelled, the Board sends a cancellation notification letter to the licensee's last address of record.

License Reissuance

If your license has been cancelled, and you wish to practice public accounting, you must reapply as a new applicant and meet the current requirements for licensure. Upon approval, a new CPA license number will be issued. Cancelled PA licenses cannot be reissued.

Retired Accountants

The Board does not issue a license with retired status. If you are retired and do not intend to practice public accounting, you may simply allow your license to expire. You may continue to display your CPA or PA certificate and may use the CPA or PA designation in a social context. However, with an expired license, you may not use the designation of CPA, PA, retired CPA, or retired PA to solicit clients or perform any activities defined as the practice of public accountancy in Section 5051 of the Business and Professions Code.

Report Quality Monitoring Program

If you had primary responsibility for and signed at least one financial report during the prior two-year license renewal period, you may be selected and required to submit a financial report for review by the Report Quality Monitoring Program. The Board selects licensees (by statistical sample or by referral from the Qualifications Committee) and reviews financial reports to evaluate and promote compliance with accounting principles and reporting standards.

After the Report Quality Monitoring Committee reviews the report, you will be notified if the report meets acceptable standards or if you must complete specified CE and submit a subsequent report for review based on a marginal or substandard submission.

Accountancy Corporations

An accountancy corporation must have at least one shareholder with an active license and obtain a Certificate of Registration from the Board before it can hold out and practice as an accountancy corporation.

Corporation Renewal Cycle

A corporation license must be renewed every two years to remain in good standing. The expiration date is based on the month and year the Board originally approved the application. If approved in an even year, the license will expire each even year on the last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

Failure to renew within five years of expiration will result in cancellation of a corporation's license. A cancelled license cannot be renewed, reinstated, or restored. The corporation would reapply for a certificate as a new applicant.

Accountancy Partnerships

An accountancy partnership must have at least two partners with active licenses to practice. An accountancy partnership with a non-licensee owner must have a partner with an active license to practice. A partnership must obtain a Certificate of Registration from the Board before it can hold out and practice as a partnership.

Partnership Renewal Cycle

A partnership license must renew every two years to remain in good standing. The expiration date is based on the month and year the Board originally approved the

application. If approved in an even year, the license will expire each even year on the last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

Failure to renew within five years of expiration will result in cancellation of a partnership's license. A cancelled license cannot be renewed, reinstated, or restored. The partnership would reapply for a certificate as a new applicant.

ENFORCEMENT

The Board's Enforcement Division:

- Receives and investigates complaints.
- Initiates and conducts investigations or hearings.
- Obtains information and evidence relating to matters involving the conduct of PAs and CPAs as well as any alleged violation of the California Accountancy Act and Accountancy Regulations.

The California Accountancy Act and Accountancy Regulations provide the basis for the Board's disciplinary actions. The Board has developed disciplinary guidelines for Administrative Law Judges, attorneys, CPA/PA licensees, and others involved in the Board's disciplinary process. The guidelines for specific offenses are referenced to the statutory or regulatory provision violated. You may print the Disciplinary Guidelines Manual from the Board's Web site, or telephone the Board's Enforcement Division at (916) 263-3977 to request a copy.

Board Requests

You must respond to any requests from the Board within 30 days of the letter's postmark date under Board Regulation 52. Failure to respond within 30 days is a violation of Section 5100(f) of the California Accountancy Act – willful violation of the California Accountancy Act or Accountancy Regulations.

Change of Address

You must notify the Board within 30 days of changing your address of record. Failure to do so may result in a citation and fine. To submit an address change, complete and sign the Address Change Form, then mail or fax it to the Board. You may print the form from the Board's Web site, or contact the Board office for a copy.

Reportable Events

Within 30 days of occurrence, licensees must report to the Board certain events related to the practice of public accountancy, such as a

1. Conviction of
 - A felony.
 - Any crime related to the qualifications, functions or duties of a CPA or PA or acts or activities within the scope of public accounting.

- Any crime involving theft, embezzlement, misappropriation of funds or property, breach of fiduciary responsibility, or false, fraudulent or materially misleading financial statements, reports, or information.
- 2. Cancellation, revocation or suspension of a CPA/PA certificate, or refusal to renew a certificate by any other state or foreign country.
- 3. Cancellation, revocation or suspension of practice rights as a CPA/PA before any government body or agency.

Effective January 1, 2003, Section 5063 requires licensees to report to the Board in writing the occurrence of any of the following events occurring on or after January 1, 2003, within 30 days of the date the licensee has knowledge of the events:

- Any restatement of a financial statement and related disclosures by a client audited by the licensee.
- Any civil action settlement or arbitration award against the licensee relating to the practice of public accountancy where the amount or value of the settlement or arbitration award is thirty thousand dollars (\$30,000) or greater and where the licensee is not insured for the full amount of the award.
- Any notice of the opening or initiation of a formal investigation of the licensee by the Securities and Exchange Commission or its designee.
- Any notice from the Securities and Exchange Commission to a licensee requesting a Wells Submission.
- Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board or its designee, as defined pursuant to subdivision (g).

Effective January 1, 2003, Section 5063 requires licensees to report to the Board in writing, within 30 days of the entry of the judgment, any judgment entered on or after January 1, 2003, against the licensee in any civil action alleging any of the following:

- Dishonesty, fraud, gross negligence, or negligence.
- Breach of fiduciary responsibility.
- Preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.
- Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses, or other errors or omissions.
- Any actionable conduct by the licensee in the practice of public accountancy, the performance of bookkeeping operations, or other professional practice.

You must report the event in writing to the Chief of Enforcement. (See Board's Web site for Licensee Reporting Form. See page i for contact information). If the event involves the action of an administrative agency or court, provide the title of the matter, court or agency name, docket number, and dates of the event's occurrence. Additionally, you are required to answer any Board inquiries concerning a reportable event.

Cite and Fine

The Board may issue a citation, which may contain an administrative fine, for violation of any provision of the California Accountancy Act or Accountancy Regulations.

In the event the administrative fine remains outstanding and the license is scheduled for renewal, full payment of the outstanding fine must be made prior to the license being renewed. If less than full payment is received, the payment will be applied first to any outstanding fines, and the remaining amount will be applied to the renewal fee. A delinquent fee will be assessed, if the matter is resolved after the license expiration date.

MISCELLANEOUS INFORMATION

Address of Record

The Board sends all official correspondence to a licensee's address of record. The address of record may be your primary place of employment, residence, post office box, or mail drop.

Your name and address of record is **public information** pursuant to Section 3, Notification of Change of Address, of the Accountancy Regulations, Section 5009 of the Business and Professions Code, and the California Public Records Act. Your name, address of record, and license status, as well as formal disciplinary actions, may be accessed at our Web site through the Web License Lookup feature.

You may use a post office box or mail drop as your address of record. However, if you use a post office box or mail drop, you must provide the street address of your primary place of employment or residence under "other address" on the Address Change Form. This "other address" will not be public information. You may print the Address Change Form from the Board's Web site or contact the Board for a copy (see page 18).

Name Change

- Individual – You may print the Name Change/Certificate Replacement Request Form from the Board's Web site or contact the Licensing Unit for a copy.
- Business – Contact the Licensing Unit to submit a name change request.

Fictitious Names

You may not practice public accounting using a name other than the one printed on your certificate unless you have registered the other name with the Board. A registered fictitious name expires five years after issuance, unless it is renewed before the expiration date.

Form E/Form G

If you are a public accounting employer, you may be asked to complete a Form E - Certificate of Experience or Form G – General Experience, on behalf of an applicant for licensure. Failure to complete these forms is a violation of Section 69 of the Accountancy Regulations.

Board Web Site

The Board's Web site is located at www.dca.ca.gov/cba. Important information for CPA/PA licensees, CPA exam applicants, and consumers is posted on this site. The Web site is a valuable source of current information for users. It also contains information regarding Board meetings, accepting commissions, license renewal, continuing education, forms, and enforcement matters and issues. Additionally, the site provides the current California Accountancy Act, Accountancy Regulations, and *UPDATE* publications.

Public Information

Pursuant to the Public Records Act (Government Code Sections 6250-6277), upon request, the Board discloses licensee information such as the following:

- Name.
- Address of record.
- Previous address of record.
- License number.
- License status.
- Original license issue date.
- Last renewal date.
- License expiration date.
- Disciplinary action.
- Filed accusations.
- Citations and compliance or noncompliance with citations.
- Copy of renewal forms.
- Copy of license application (excluding personal information, such as a home address, birth date, and social security number).
- Copy of Form(s) E/Form(s) G certifying licensure experience (excluding opinions of employers).

Public Information List

The Department of Consumer Affairs compiles a Public Information List of licensee names, addresses, license type, and number that is available to the public upon request. This mailing list is available on CD-ROM, diskette, tape cartridge, e-mail file, computer printout (paper), or mailing labels. The list does not include telephone numbers, fax numbers or e-mail addresses.

If you do not wish to be included on the Public Information List, you may request removal of your name and address by submitting an Address Change Form and marking the applicable circle at the bottom of the page. The Address Change Form is available on the Board's Web site, or you may submit a signed request to have your name withheld from the public sales mailing list.

Web License Lookup

License Lookup at www.dca.ca.gov/cba provides licensees and consumers with the following information about the CPA/PA or firm license: license type and number, license status, license expiration date, original license issue date, and address of record.

Certain disciplinary information also is available, as applicable, including: names of licensees for which accusations have been filed and are pending possible disciplinary action; summaries of decisions since July 1, 1993, for licenses revoked, surrendered, or placed on long-term probation; and summaries for all other disciplinary actions within the past seven years.

FREQUENTLY ASKED QUESTIONS (FAQs)

New Licensee

1. *Why do I have to complete a supplemental PC&E course if I just was certified?*

If you completed the 1997 or earlier version of the ethics exam to obtain your initial license within the last five years, you may receive PC&E credit by requesting the "California Supplement" from the California CPA Education Foundation at (800) 922-5272.

To receive PC&E credit, you must complete the supplement, certify on the postcard provided and send it to the Board. Write "postcard submitted" in the space for the PC&E approval number on Part C of your license renewal form. When the postcard and your renewal form are received by the Board, you will be granted PC&E course credit good for six years from your first license expiration date.

Renewal

2. *What is an active renewal?*

A licensee engaged in the practice of public accountancy is required to hold a license in active status. Active renewal means that the licensee completed the required hours of CE, submitted the required renewal information, and paid the license renewal fee and any applicable delinquency fee. As a condition of renewal in active status, a licensee must complete at least 80 hours of required CE in the two-year period immediately preceding license expiration.

3. *What is an inactive renewal?*

A licensee who is not practicing public accountancy may renew the license in inactive status without completing CE or PC&E. However, the licensee must pay the renewal fee and submit a renewal form to maintain a current license.

An inactive license may be converted to active status prior to the next expiration date by applying for license conversion on the License Status Conversion Form from Inactive to Active License Status. The license will not become active until it has been processed and approved by the Board.

4. *Can I get another renewal form to record my CPE/CE hours?*

Yes, you may download a copy of the CE Reporting Worksheet (Side 2 of the Renewal Form) at the Board's Web site, or request a copy from the Renewal Unit.

5. *If I only do tax returns, can I renew my license in inactive status?*

If you use a CPA or PA designation soliciting, advertising for clients, or signing a tax return, you must have a current, active license.

Under Business and Professions Code Sections 22250-22258, tax preparers must meet special bonding and continuing education requirements as well as other requirements. With current active licenses, CPAs or PAs, enrolled agents, and attorneys are exempt from these special requirements. CPAs and PAs must instead meet the continuing education and other requirements of the Board.

6. *What types of courses qualify as CE?*

To qualify as acceptable CE, a program must contribute directly to the professional competence of a licensee in public practice.

Among the qualifying programs are:

- Professional development programs of national and state accounting organizations.
- Technical sessions at meetings of national and state accounting organizations and their chapters which are designed as formal educational programs.
- University or college courses.
- Other formal educational programs provided the program meets the required standards.

7. *Can I do my CE by self-study?*

Yes, 100 percent of the CE requirements may be completed in qualifying self-study programs.

8. *What activities qualify as CE?*

The following activities qualify for CE, but licensees are only allowed to claim up to 25 percent of the required CE hours:

- Writing published articles and books, provided the publisher is not under the control of the licensee.
- Writing instructional materials for any continuing education program, which meets the requirements of Regulation Sections 88(a), 88.1, and 88.2.
- Writing questions for the Uniform Certified Public Accountant Examination.

Partnership and Corporation:

9. *Can a non-licensee's name be in the name style of the firm if he or she is a shareholder/partner?*

Yes. The firm must be registered with the Board and licensees must comprise the majority of owners except that firms with two owners may have one owner who is a non-licensee (refer to Section 5079 of the California Accountancy Act for additional information).

10. *Does the phrase "An Accountancy Corporation" or "A Professional Corporation" need to be in the name style of the corporation?*

No. An accountancy professional corporation is no longer required to include this information in its name style.

11. *Can I have a Corporation, Partnership, and Fictitious Name Permit with the same name, at the same time?*

Yes, you may have all three at the same time.

12. *How long does it take to process an application for licensure as a partnership, corporation or fictitious name?*

If the application is complete when submitted, processing time is usually four to six weeks.

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